

**ABSTRACT:**

In macroblock-based coding systems such as MPEG-1 video, MPEG-2 video and MPEG-4 visual, an encoder in the invention decides on macroblock level whether the macroblock is to be encoded or whether local motion-compensated interpolation processing at a compatible decoder can be used to reconstruct the macroblock. In the latter case, the  
5 macroblock is skipped. If the decoder detects a skipped macroblock, the decoder reconstructs the macroblock and overwrites the data conventionally generated in MPEG under the skipped macro-block condition.

Fig. 2